



2020

Modern Slavery Statement

30 June 2020
ACN: 009 215 347





Introduction

This Modern Slavery Statement (**Statement**) by Saracen Mineral Holdings ABN 52 009 215 347 and its controlled entities (**Saracen**) is published as required by the *Modern Slavery Act 2018* (Cth) (**Act**). Saracen progressively introduced systems and procedures in FY2020 to address the requirements of the Act. This statement outlines the progress to date and our future commitments.

This Statement outlines Saracen's approach to ensuring that it has a **robust framework and processes in place to minimise the risk of modern slavery in our business operations and supply chain**. As identified by the Act, slavery and human trafficking can occur in many forms including slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services. Saracen recognises this and has developed a comprehensive approach to identify, assess and address all possible practices of modern slavery and human exploitation in its operations and supply chain.

Saracen is committed to operating responsibly and adhering to the highest ethical standards.

Saracen will not tolerate any forms of slavery or human trafficking in its business or supply chains.

About Saracen

Saracen is an ASX100-listed gold mining company with operations in the Eastern Goldfields of Western Australia, all within 300km of Kalgoorlie, namely:

- ▲ Carosue Dam, approximately 120km north-east of Kalgoorlie;
- ▲ Thunderbox, approximately 45km south of Leinster; and
- ▲ Kalgoorlie Consolidated Gold Mines JV Super Pit: Kalgoorlie (50% interest).

Saracen's head office is located in Perth, Western Australia.

Our Commitment

Saracen recognises its role in protecting the human rights of all people involved in, or impacted by, our business practices. Saracen is committed to ensuring compliance with human rights principles and to acting ethically, and with integrity in conducting our business.

As part of these commitments, Saracen will ensure that it engages suppliers and contractors who are aligned with these principles and are opposed to any form of slavery and human trafficking.

Our Policies and Governance

Saracen believes that corporate governance is essential to sustainable value creation. As such, Saracen is committed to maintaining high standards in all aspects of reporting and corporate governance.

Saracen's commitment to good governance practices, operating ethically and with integrity is guided by our policies which are available to all internal and external stakeholders on our website (www.saracen.com.au).

Saracen's approach to corporate governance is explained more fully in the Corporate Governance Statement, available from <https://www.saracen.com.au/about-us/corporate-governance/>.

Saracen's Risk and Sustainability Committee is responsible for assisting the Board in relation to the risk of modern slavery in the operations and supply chain. Underpinning Saracen's approach to modern slavery is the Company's Code of Conduct and recently developed Human Rights Policy. These policies set out the high standards of behavior expected of the organisation, employees and contractors.

Saracen Management conduct internal audits and reviews on adherence to Saracen's governance policies. These findings are reported to the Board on to enable evaluation of the overall effectiveness of our governance policies. The figure below provides an overview of Saracen's governance framework and demonstrates the level of consultation and due diligence Saracen completes to maintain our corporate governance policies.



Figure 1: Modern Slavery Governance Framework

Saracen’s stakeholders are illustrated in the diagram below. Saracen regularly communicates with internal and external stakeholders on Saracen’s commitment and obligation to minimise the risk of modern slavery and human trafficking in its operations including through contractual arrangements and procurement processes. Saracen believes that full transparency and clear communication with our stakeholders, depicted in the figure below, can drive affirmative change towards the eradication of modern slavery.



Figure 2: Stakeholder Diagram

Our Supply Chain

Given the nature of Saracen’s procurement spend, as described below, it is considered that the risk of modern slavery in its supply chain is low, however, Saracen is committed to maintaining a high standard of supply chain management. This includes working with our suppliers to eliminate the risk of modern slavery and human trafficking from our supply chains.

Fair treatment of suppliers and their representatives, without prejudice or bias, and open and fair competition are core principles of how we manage our supply chain. Suppliers are evaluated on a weighted matrix of financial and non-financial criteria which include safety, sustainability, company culture and ability to meet statutory requirements such as licenses, permits and relevant standards.

Saracen’s suppliers, service providers and customers are contractually required to comply with relevant Saracen policies and procedures, including demonstrating that they do not have modern slavery and human trafficking in their operations or supply chain.

Saracen procures services and products from a broad range of industries. Over 98% of Saracen’s procurement spend is from within Australia including approximately 80% spend from within Western Australia. Our external supply chain is summarised as follows:

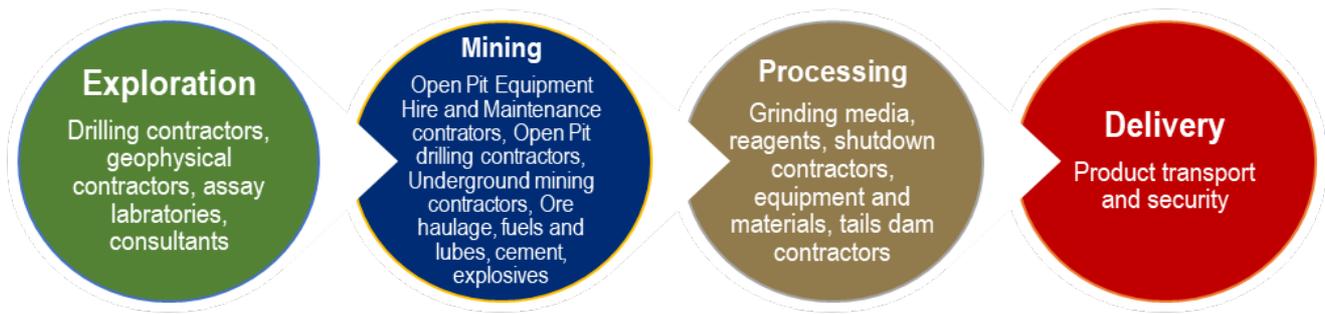


Figure 3: External Supply Chain Diagram

Our Operations

Given Saracen’s operating footprint it considers the risk of modern slavery in its operations to be low. However, Saracen maintains a rigorous human resources framework to eliminate the risk of modern slavery as set out below.

The minimum terms and conditions of an employee’s employment with Saracen are governed by the National Employment Standards and relevant Modern Award. In addition, Saracen employees are also subject to the conditions in either the Saracen Enterprise Agreement or the Saracen Employment Conditions. The current Saracen Enterprise Agreement 2018 covers groups of employees based at both Carosue Dam and Thunderbox Operations. This agreement was approved by the Fair Work Commission in March 2019.

Employees who are not covered by the Saracen Enterprise Agreement are employed on Common Law Contracts which are subject to the Saracen Employment Conditions, these conditions are reviewed every 2 years or as required.

Saracen employs and sponsors individuals on various visas. In order to fulfil the requirements of this process, Saracen must ensure and provide evidence that individuals being sponsored are paid in line with an Australian resident who is also employed by Saracen in the same role. Saracen engages Migration Agents to ensure that all applications and visa information is correct and that the contract is in line with the requirements of the individual’s visa.

Our Approach

There is the potential for modern slavery to exist in Saracen’s supply chain including through goods directly or indirectly procured off shore or goods or services procured through contractors. In response, Saracen has adopted a three-phase approach to eliminate the risk of modern slavery in our operations and supply chain, this is depicted in the diagram below:

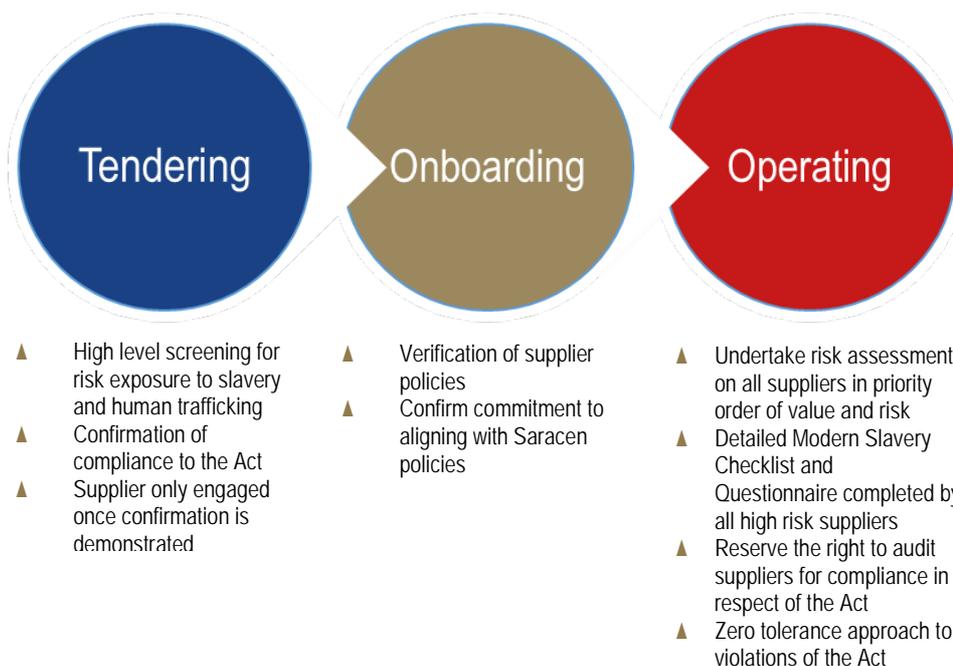


Figure 4: Three Phase Elimination Process

Saracen has also taken the following actions to assess, address and eliminate the risk of modern slavery within our operations and supply chain:

- ▲ Developed and implemented a Modern Slavery Checklist and Questionnaire for earlier risk identification. .
- ▲ Identified all suppliers with a higher risk of modern slavery in their supply chains.
- ▲ Required mandatory completion of the Modern Slavery Checklist and Questionnaire by all high risk and high value suppliers engaged with Saracen.
- ▲ Updated our standard terms and conditions to include compliance with the Act's requirements.

Through the processes described above Saracen did not identify any modern slavery in its operations or supply chain for the FY2020 period.

Saracen and Northern Star (KLV) Pty Ltd (**NST**) each have a 50% interest in the Fimiston/Paringa Joint Venture, the Kalgoorlie Mining Associates Joint Venture and the Mt Percy Joint Venture (**Super Pit Joint Ventures**). The operations of the Super Pit Joint Ventures are managed for and on behalf of SAR and NST by Kalgoorlie Consolidated Gold Mines Pty Ltd (**KCGM**), which is owned 50% by NST and 50% by Saracen.

KCGM's Supplier Code of Conduct (**Code of Conduct**) as approved by SAR and NST includes a voluntary Modern Slavery Statement. The Statement sets out the standards that must be adhered to in order to mitigate the risk of modern slavery and promote and develop a deeper understanding and awareness of KCGM's expectations and standards in relation to human rights and risks of modern slavery. The Code of Conduct requests that suppliers conduct their own annual supply chain enquiries to understand the potential risk of modern slavery breaches in their supply chain, and confirm, amongst other things, that to the best of their knowledge and belief there is no modern slavery between the supplier and its employees and any subcontractor and its employees. KCGM reserves the right to audit the suppliers supply chain and that of its sub-contractors. NST provides the procurement function to KCGM and in doing so implements this regime for KCGM. KCGM's 2020 annual supply chain survey results will be assessed in December 2020.

Our Future Commitments

Saracen is committed to further enhancing governance and management to address the risks of modern slavery in our operations and supply chains. This will include:

- ▲ Conducting **Training** to educate all staff and suppliers on the Act and provide tools for staff to better identify examples of modern slavery.
- ▲ Encouraging staff to **Speak Out** when they are concerned that an activity may be at risk of involving modern slavery (in line with Saracen's Core Values of Communication and Courage and Whistleblower Policy).
- ▲ **Undertaking Audits** of all high risk suppliers and **Taking Action** to resolve any issues identified.
- ▲ **Reviewing all suppliers and service providers not included as "high risk"**.
- ▲ **Reviewing current Saracen Policies and Procedures** and ensure risk management of modern slavery is appropriately covered (In line with our governance standards).
- ▲ Work with our JV partners to mitigate the risk of modern slavery in joint venture operations and supply chains.

This Statement is approved by the Board of Saracen.



Raleigh Finlayson
Managing Director

Saracen Mineral Holdings Limited

Date: 7 September 2020